



TRANSPORTATION

EQUIPMENT GROUP

RECORDATION NO. 125957 Filed & Recorded
APR 22 1987 2-30 PM

INTERSTATE COMMERCE COMMISSION

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INTERSTATE COMMERCE COMMISSION

Law Department
100 North Charles Street
Baltimore, MD 21201

RECORDATION NO. 125957 Filed & Recorded
April 16, 1987

APR 22 1987 2-30 PM

Ms. Noreta McGee, Secretary
Interstate Commerce Commission
12th Street & Constitution Avenue, N.W.
Washington, DC 20423

RECORDATION NO. 125957 Filed & Recorded
APR 22 1987 2-30 PM
INTERSTATE COMMERCE COMMISSION

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INTERSTATE COMMERCE COMMISSION

Date APR 22 1987
Fee \$ 10.00
ICC Washington, D.C.

Dear Ms. McGee:

Re: Document for Recordation
49 USC §11303

I have enclosed an original and two copies of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

The document, entitled "Assignment and Assumption of Equipment Lease" dated March 10, 1987 is an assignment and should be treated as a secondary document. The primary document to which this is connected is recorded under Recordation No. 12595. We request that this assignment be cross-indexed.

The names and addresses of the parties to the secondary document are:

Assignor: Gulf Coast Grain, Inc.
Suite 103, Box 51
965 Ridge Lake Boulevard
Memphis, TN 38119
Attn: Manager-Rail Transportation

Guarantor
of Assignor: Mitsui & Co. (U.S.A.), Inc.
Suite 101, Box 81
965 Ridge Lake Boulevard
Memphis, TN 38119
Attn: Mr. Nobuo Ohashi

Assignee: CSX Transportation, Inc.
100 North Charles Street
Baltimore, MD 21201
Attn: Treasury Dept. - SC 223

A description of the equipment covered by the secondary document follows:

Ms. Noreta R. McGee
April 16, 1987
Page 2

One Hundred Forty Eight (148) 100-ton, truck gravity hopper cars, all having AAR mechanical designation C113 and having reporting marks SBD 253435-253582. (The cars previously had non-consecutive reporting marks in the GCGX 335-499 series.)

An original and two copies of the document are enclosed. After filing, please return the original and all extra copies of the document to me at the following address:

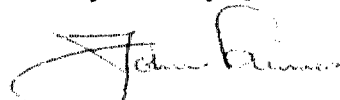
John W. Humes, Jr.
Senior General Attorney
CSX Transportation
100 North Charles Street
Baltimore, MD 21201

A check in the amount of \$10.00 for the filing fee is enclosed.

A short summary of the document follows:

An assignment between Gulf Coast Grain, Inc., Suite 103, Box 51, 965 Ridge Lake Boulevard, Memphis, TN 38119 (Assignor); Mitsui & Co. (U.S.A.), Inc., Suite 101, Box 81, 965 Ridge Lake Boulevard, Memphis, TN 38119 (Guarantor); and CSX Transportation, Inc., 100 North Charles Street, Baltimore, MD 21201 (Assignee) covering One Hundred and Forty Eight (148) - 100 ton, truck gravity hopper cars.

Very truly yours,



John W. Humes, Jr.
Sr. General Attorney

JWH/plb

Enclosures

cc: Mr. M. K. Johnson
Mr. J. E. Kruger

RECORDATION NO. 12595 ^B Filed & Recorded

APR 22 1987 2-3 PM

[C FORMED COPY]

INTERSTATE COMMERCE COMMISSION

PARTICIPATION AGREEMENT

Dated as of November 1, 1980

Re: Gulf Coast Trust No. 80-1

Among

GULF COAST GRAIN, INC.

LESSEE

mitsui & co. (U.S.A.), INC.

GUARANTOR

GENERAL ELECTRIC CREDIT CORPORATION

TRUSTOR

FIRST SECURITY BANK OF UTAH, N.A.

TRUSTEE

CONNECTICUT GENERAL LIFE INSURANCE COMPANY

NOTE PURCHASER

And

THE CONNECTICUT BANK AND TRUST COMPANY

SECURITY TRUSTEE

(Gulf Coast Trust No. 80-1)
(150 100 Ton Covered Hopper Cars)

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ATTACHMENTS TO PARTICIPATION AGREEMENT:

- Schedule 1 - Name, Address and Maximum Commitment
of Note Purchaser
- Exhibit A - Trust Agreement
 - Exhibit B - Purchase Order Assignment
 - Exhibit C - Equipment Lease
 - Exhibit D - Security Agreement-Trust Deed
 - Exhibit E - Guaranty Agreement
 - Exhibit F - Indemnity Agreement
 - Exhibit G - Certificate of the Lessee
 - Exhibit H - Certificate of the Guarantor
 - Exhibit I - Description of Opinion of Counsel
for the Lessee; First Delivery Date
 - Exhibit J - Description of Opinion of Counsel
for the Guarantor; First Closing Date
 - Exhibit K - Description of Opinion of Counsel
for the Trustee; First Delivery Date
 - Exhibit L - Description of Opinion of Counsel
for the Trustor; First Delivery Date

Section

Heading

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- Exhibit M-- Description of Opinion of Counsel for
the Manufacturer; First Delivery Date
- Exhibit N - Description of Opinion of Special Counsel for
the Note Purchaser; First Delivery Date
- Exhibit O - Description of Opinion of Counsel for
the Manufacturer; Each Closing Date
- Exhibit P - Description of Opinion of Special Counsel
for the Note Purchaser; Each Closing Date

PARTICIPATION AGREEMENT

THIS PARTICIPATION AGREEMENT dated as of November 1, 1980 is among GULF COAST GRAIN, INC., a Delaware corporation (the "Lessee"), MITSUI & CO. (U.S.A.), INC., a New York corporation (the "Guarantor"), GENERAL ELECTRIC CREDIT CORPORATION, a New York corporation (the "Trustor"), THE CONNECTICUT BANK AND TRUST COMPANY a Connecticut banking corporation, as trustee (the "Security Trustee") under the Security Agreement-Trust Deed referred to in Recital A(3) below, CONNECTICUT GENERAL LIFE INSURANCE COMPANY (the "Note Purchaser") and FIRST SECURITY BANK OF UTAH, N.A., a national banking association, not acting in its individual capacity (except as herein expressly provided) but as Trustee under Gulf Coast Trust No. 80-1 (the "Trustee"). The Trustor and the Note Purchaser are herein sometimes referred to collectively as the "Participants" and individually as a "Participant".

R E C I T A L S:

A. Operative Agreements. The Trustee and the Trustor have entered into a Trust Agreement dated as of November 1, 1980 in the form attached hereto as Exhibit A (the "Trust Agreement"), and pursuant to the authorizations and directions contained in the Trust Agreement the Trustee has entered into or proposes to enter into:

(1) a Purchase Order Assignment substantially in the form attached hereto as Exhibit B (the "Purchase Order Assignment") between the Trustee and the Lessee providing for the assignment by the Lessee to the Trustee of the rights of the Lessee to purchase the Equipment from Trinity Industries, Inc., a Texas corporation (the "Manufacturer") and for the assumption by the Trustee of the obligation to purchase all Items of Equipment except those Items of Equipment excluded by the terms thereof, which Purchase Order Assignment shall be consented and agreed to by the Manufacturer;

(2) an Equipment Lease substantially in the form attached hereto as Exhibit C (the "Lease") between the Trustee, as lessor, and the Lessee, as lessee, providing for the lease of the Equipment to the Lessee for a basic lease term of approximately twenty (20) years; and

(3) a Security Agreement-Trust Deed substantially in the form attached hereto as Exhibit D (the "Security Agreement") between the Trustee and the Security Trustee, granting a security interest in the Trustee's interest in and to the Equipment (subject to the rights of the

Lessee under the Lease), the Lease and the rents and certain of the other sums due and to become due thereunder.

(4) a Guaranty Agreement between the Trustee and the Guarantor substantially in the form attached hereto as Exhibit E (the "Guaranty Agreement") providing for the Guarantor to unconditionally guarantee the due performance and observance by the Lessee in a timely manner of each of the Lessee's obligations under the Lease and hereunder.

(5) an Indemnity Agreement between the Lessee, the Guarantor and the Trustor substantially in the form attached hereto as Exhibit F (the "Indemnity Agreement").

This Participation Agreement, the Purchase Order Assignment, the Lease, the Security Agreement, the Indemnity Agreement and the Guaranty Agreement are hereinafter sometimes referred to as the "Operative Agreements".

B. Investments of Participants. On not more than two Closing Dates the Trustor will advance to the Manufacturer an amount equal to 41.0531% of the Purchase Price of the Items of Equipment to be settled for on each such date and the balance of the Purchase Price of such Items of Equipment will be financed by the issue and sale of the Notes of the Trustee to the Note Purchaser, all subject to the limitations and on the terms and conditions herein-after set forth.

SECTION 1. INTERPRETATION OF THIS AGREEMENT.

1.1. Definitions. The following terms shall have the following meanings for all purposes of this Agreement:

"Beneficial Interest" shall mean the interest of the Trustor under the Trust Agreement.

"Casualty Value" shall have the meaning specified in Section 11.6 of the Lease.

"Certificate of Acceptance" shall mean any Certificate of Acceptance delivered pursuant to Section 1.2 of the Lease.

"Closing Date" is defined in Section 2.3 hereof.

"Code" shall mean the Internal Revenue Code of 1954, as amended.

"Consent" shall mean the Consent and Agreement of the Manufacturer delivered pursuant to Section 7 of the Purchase Order Assignment.

3
"Equipment" shall mean collectively those items of railroad rolling stock described in Schedule A to the Lease, together with any and all accessions, additions, improvements and replacements from time to time incorporated or installed on any item thereof which are the property of the Trustee pursuant to the terms of the Lease, and "Item" or "Item of Equipment" shall mean individually the various items thereof.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"First Delivery Date" is defined in Section 4.1(a) hereof.

"Fixed Rental" shall have the meaning specified in Section 2.1(b) of the Lease.

"Guaranty Agreement" is defined in Recital A(4).

"Indemnity Agreement" is defined in Recital A(5)

"Interests" shall mean the Beneficial Interests and the Notes, collectively, and "Interest" shall mean a Beneficial Interest or a Note, individually.

"Interim Rental" shall have the meaning specified in Section 2.1(a) of the Lease.

"Lease" is defined in Recital A(2) hereof.

"Notes" is defined in Section 2.2(a) hereof.

"Operative Agreements" is defined in Recital A hereof.

"Order Note" is defined in Section 2.2(b) hereof.

"Participants" is defined in the introductory paragraph hereof.

"Person" shall mean an individual, partnership, corporation, trust or unincorporated organization, and a government or agency or political subdivision thereof.

"Permitted Encumbrances" shall mean the Security Agreement and all other liens and encumbrances permitted under Section 1.4 thereof.

"Purchase Order Assignment" is defined in Recital A(1) hereof.

"Purchase Price" shall mean, for each Item of Equipment, the price therefor certified as correct on the invoice covering such Item delivered by the Manufacturer pursuant to the Consent; provided, that such invoice price shall include prepaid freight charges, if any, to the place of delivery designated in the Lease, and switching and storage charges and interest charges by the Manufacturer, if any, in each case prior to the date of delivery under the Lease, but the aggregate of all such freight, storage, switching, and interest charges shall not exceed \$670 per item; and further provided, that in no event shall the aggregate Purchase Price of the Equipment exceed \$6,616,124.

"Registered Note" is defined in Section 2.2(b) hereof.

"Security" shall have the same meaning as in Section 2(1) of the Securities Act of 1933, as amended.

"Security Agreement" is defined in Recital A(3) hereof.

"Term Lease Commencement Date" shall mean July 1, 1981.

"Trust Agreement" is defined in Recital A hereof.

"Trust Estate" shall have the meaning specified in Section 1.02 of the Trust Agreement.

1.2. Directly or Indirectly. Where any provision in this Agreement refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

SECTION 2. COMMITMENTS OF THE PARTICIPANTS.

2.1. Commitment of the Trustor. Advance in Respect of the Purchase Price of Equipment. Subject to the terms and conditions hereof and on the basis of the representations and warranties hereinafter set forth, on each Closing Date the Trustor will pay to the order of the Manufacturer an amount equal to 41.0531% of the Purchase Price of the Items of Equipment to be settled for on such Closing Date. The Trustee is unconditionally obligated, but only by application of funds advanced by the Trustor and the Note Purchaser pursuant hereto, to purchase each Item of Equipment validly delivered and accepted in accordance with the provisions of Section 1 of the Equipment Lease and this Agreement as of the delivery date of each such item, and the Trustor is so obligated to pay such portion thereof on the Closing Date for such Item. The advance by the Trustor shall be made not later than 10:00 A.M. local time on such Closing Date in Federal Reserve funds or other funds immediately available to the Trustee.

2.2. Issue and Sale of Notes. (a) The Notes. In order to finance the balance of the Purchase Price of the Equipment not to be advanced by the Trustor pursuant to Section 2.1 hereof, the Trust Agreement authorizes the issue and sale of 13.625% Secured Notes (the "Notes") of the Trustee in the aggregate principal amount not to exceed \$3,900,000. The Notes are to be dated the date of issue, to bear interest from such date at the rate of 13.625% per annum prior to maturity, to be expressed to be payable as follows: monthly installments of interest only payable on February 1, 1981, March 1, 1981, April 1, 1981, May 1, 1981, June 1, 1981 and July 1, 1981, followed by 240 consecutive monthly installments, including both principal and interest, payable in accordance with the amortization schedule set forth in Schedule 1 to the Security Agreement with the first such installment to be paid on August 1, 1981, and the balance of such installments to be paid on the first day of each month thereafter with a final installment on July 1, 2001 in an amount equal to the entire principal and interest remaining unpaid thereunder; and to be otherwise substantially in the form attached to the Security Agreement as Exhibit A-1 or A-2, as appropriate. The term "Notes" as used herein shall include each Note delivered pursuant to this Agreement or the Security Agreement.

(b) Commitments of Note Purchaser. Subject to the terms and conditions hereof and on the basis of the representations and warranties hereinafter set forth, the Trustee agrees to issue and sell to the Note Purchaser and the Note Purchaser agrees to purchase from the Trustee, on not more than two Closing Dates designated pursuant to Section 2.3 hereof Notes of the Trustee at a price of 100% of the principal amount thereof; provided the aggregate principal amount of all Notes to be purchased hereunder shall not exceed \$3,900,000. The Notes delivered to the Note Purchaser on each Closing Date will be typewritten (or, at the request of such Note Purchaser printed) in the form of a single Note registered in the name of such Note Purchaser or in the name of such Note Purchaser's nominee, if any, as set forth in Schedule 1 hereto ("Registered Note") or, if requested by any Note Purchaser, payable to the order of such Note Purchaser or its nominee ("Order Note").

(c) Security for the Notes. The Notes will be issued under and secured by the Security Agreement, creating a valid and perfected first security interest in the Equipment, the right, title and interest of the Trustee, as lessor under the Lease (subject to the right, title and interest of the Lessee under the Lease), and providing for a present assignment of rentals and certain other sums due and to become due under the Lease with the right and privilege to apply such rentals and other sums to the payment or prepayment of the Notes (subject to the Excepted Rights in Collateral set forth in Section 1.6 of the Security Agreement).

(d) Failure to Deliver. If on any Closing Date, the Trustee fails to tender to the Note Purchaser the Notes to be purchased by such Note Purchaser or if the conditions to the obligations of the Note Purchaser specified in Section 4 hereof have not

been fulfilled, the Note Purchaser may thereupon elect to be relieved of all further obligations under this Agreement. Nothing in this Section 2.2(d) shall operate to relieve the Trustor, the Guarantor, the Trustee or the Lessee from any of their respective obligations hereunder or to waive any of the Note Purchaser's rights against the Trustor, the Guarantor, the Trustee or the Lessee.

(e) Prepayment. Except to the extent otherwise provided for in the Security Agreement, the Notes shall not be subject to prepayment or redemption in whole or in part at the option of the Trustee prior to the expressed maturity date thereof.

2.3. The Closings. The purchase from the Manufacturer of Items of Equipment hereunder will be made, and the Notes will be delivered to the Note Purchaser hereunder, on not more than two such dates (the "Closing Dates"), not earlier than January 5, 1980 nor later than February 10, 1981, as the Lessee shall designate to each Participant by not less than seven business days' prior written or telegraphic notice. Such notice shall confirm to each Participant the amount of the Purchase Price for the Items of Equipment to be settled for on such date and the amount to be advanced by such Participant on such date. The purchase of Items of Equipment and payment for the Notes shall take place on each Closing Date at the principal office of Messrs. Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603, not later than 10:00 A.M., local time, on each Closing Date. Each Participant shall on each Closing Date wire transfer to the Security Trustee Federal Reserve funds or funds otherwise immediately available to the Security Trustee. Based on information presently available, the Lessee and the Trustor estimate that the Equipment will be purchased on the dates and in the amounts set forth in Schedule 1 hereto.

2.4. Expiration of Commitments. The several commitments of the Participants hereunder shall expire on February 10, 1981 unless extended by written agreement of the parties hereto.

2.5. Several Commitments. The obligations hereunder of the Participants shall be several and not joint and no Participant shall be liable or responsible for the acts or defaults of any other Participant.

2.6. Expenses. The Trustor and Charter Financial Services, a division of Charter Financial Company ("Charter Financial") have entered into an agreement pursuant to which Charter Financial will pay all expenses relating to the transactions contemplated by this Agreement, except the fees and disbursements of counsel for the Lessee, including without limitation:

(a) the cost of reproducing the Operative Agreements, the Letter Agreement and the Notes;

(b) the disbursements and reasonable fees of Messrs. Chapman and Cutler, special counsel for the Note Purchaser;

Messrs. Sullivan & Cromwell, special tax counsel; and Messrs. Ray, Quinney and Nebeker, counsel for the Trustee;

(c) the reasonable fees of Hunter, Keith, Marshall & Eaton, Inc. for arranging for the purchase of the Notes by the Note Purchaser hereunder;

(d) the cost of delivering to the home office of the Note Purchaser insured to the satisfaction of such Note Purchaser, the Notes purchased by such Note Purchaser on the Closing Dates and the Term Lease Commencement Date and the cost of delivering to or from the home office of the Note Purchaser from or to the Trustee insured to the satisfaction of such Note Purchaser, any Notes surrendered pursuant to the Security Agreement;

(e) all initial and continuing fees and expenses of the Trustee under the Trust Agreement;

(f) all initial and continuing fees and expenses of the Security Trustee under the Security Agreement; and

(g) all fees and expenses of the Lender in connection with its purchase of the Notes pursuant to the Letter Agreement.

If the First Delivery Date shall not occur or, subject to the next succeeding sentence, the Trustee shall rightfully refuse to accept delivery of all or a portion of the Equipment, the Lessee agrees to pay (or reimburse Charter Financial to the extent that Charter Financial has paid) the pro rata portion of the expenses relating to such contemplated transactions. In no event, however, shall the Lessee be required to pay any of the above-described expenses or to reimburse Charter Financial therefor in the event that the failure to consummate the transactions contemplated herein is the result of the wrongful failure of another party hereto (other than the Guarantor) to comply with its obligations thereunder.

SECTION 3. WARRANTIES AND REPRESENTATIONS.

3.1. Warranties and Representations of the Trustee. The Trustee warrants and represents to the Participants, the Guarantor, the Security Trustee and the Lessee that:

(a) Trustee's Organization and Authority; No Violation of Charter, By-laws, Indentures, etc. The Trustee (i) is a Federal banking association duly organized, legally existing and in good standing under the laws of the United States, (ii) has full right, power and authority in its individual capacity to enter into and carry out, as Trustee, the terms and provisions of the Trust Agreement, and (iii) has full

right, power and authority under the Trust Agreement to enter into and perform the Operative Agreements and to issue and deliver the Notes and the performance or observance by the Trustee of any of its obligations hereunder or thereunder (in either its individual capacity or as such trustee, as provided for therein) does not violate any provisions of any Utah or Federal banking law, any order of any court or governmental agency in proceedings to which the Trustee is a party, the charter document or By-laws of the Trustee, or any indenture, agreement or other instrument to which the Trustee is a party or by which it, or any of its property, may be bound, and will not be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or other instrument or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Trustee other than Permitted Encumbrances.

(b) Pending Litigation. There are no proceedings pending, or to the knowledge of the Trustee threatened, and to the knowledge of the Trustee there is no existing basis for any such proceedings, against or affecting the Trustee in any court or before any governmental authority or arbitration board or tribunal which, if adversely determined, would materially and adversely affect the Trust Estate created by the Trust Agreement or the ability of the Trustee to enter into or perform the Operative Agreements and to issue and deliver the Notes.

(c) Title to the Equipment. The Equipment is free and clear of any liens or encumbrances which result from claims against the Trustee not related to the ownership of the Equipment or the administration of the Trust Estate under the Trust Agreement or the other Operative Agreements. The Trustee has not conveyed title to the Equipment to any Person or subjected the Equipment to any lien or encumbrance other than Permitted Encumbrances.

(d) No Defaults. To the knowledge of the Trustee, no Event of Default or event which with the passing of time or the giving of notice, or both, would constitute an Event of Default under the Security Agreement has occurred and is continuing. The Trustee is not in violation of any term of any of the Operative Agreements or the Notes.

(e) Governmental Consent. Neither the nature of the Trust Estate under the Trust Agreement, nor any relationship between the Trustee and any other Person, nor any circumstance in connection with the offer, issue, sale or delivery of the Notes or the establishment of the Beneficial Interest or the execution and

delivery of the Operative Agreements is such as to require a consent, approval or authorization of, or filing, registration or qualification with, any governmental authority on the part of the Trustee under the laws of the State of Utah (other than laws relating to the issuance of securities) and Federal banking laws in connection with the execution and delivery of the Operative Agreements or the offer, issue, sale or delivery of the Notes or the establishment of the Beneficial Interest or the Notes.

(f) Use of Proceeds. The Trustee will apply the entire proceeds from the sale of the Notes to the payment to the Manufacturer of the Purchase Price of the Equipment.

The warranties and representations made by the Trustee in subsections a, b, c and f of this Section 3.1 shall be binding upon the Trustee both as Trustee and in its individual capacity notwithstanding the provisions of Section 9 hereof.

3.2. Warranties and Representations of the Lessee.

The Lessee warrants and represents to the Participants, the Security Trustee and the Trustee that the warranties and representations set forth in the form of Closing Certificate of the Lessee attached hereto as Exhibit G are true and correct on and as of the date hereof.

3.3. Warranties and Representations of the Security Trustee. The Security Trustee warrants and represents to the Participants, the Guarantor, the Trustee and the Lessee that:

(a) Organization. The Security Trustee is a banking corporation duly organized, validly existing and in good standing under the laws of the State of Connecticut.

(b) Authority. The Security Trustee has full right, power and authority under Connecticut and Federal law to execute this Agreement and the Security Agreement and to accept and perform the trusts provided for thereby.

(c) Legality. Acceptance by the Security Trustee of the trust created under the Security Agreement and the performance thereof does not violate any provisions of any law of the State of Connecticut or the United States any order of any court or governmental agency in proceedings to which the Security Trustee is a party, the charter documents or By-laws of the Security Trustee or any indenture, agreement or other instrument to which the Security Trustee is a party or by which it, or any of its property, is bound, and will not be in conflict with, result in a breach of, or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement, or other instrument or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Security Trustee.

(d) Consent. No consent or approval on the part of any governmental body is necessary in connection with the execution and delivery by the Security Trustee of this Agreement or the Security Agreement or compliance by the Security Trustee with any of the provisions of said instruments.

3.4. Warranties and Representations of the Guarantor. The Guarantor warrants and represents to the Trustee, the Participants and the Security Trustee that the warranties and representations set forth in the form of Closing Certificate of the Guarantor, attached hereto as Exhibit H, are true and correct on and as of the date of execution hereof.

3.5. Private Offering. (a) The Trustee warrants and represents to the Lessee, the Guarantor, the Participants and the Security Trustee that the Trustee has not offered any of the Notes or any similar Security of the Trustee for sale to, or solicited offers to buy any thereof from, or otherwise approached or negotiated with respect thereto with, any prospective purchaser nor has the Trustee authorized or employed any Person as agent or otherwise in connection with the placement of the Notes or any similar Security of the Trustee.

(b) The Lessee and the Guarantor jointly and severally warrant and represent to the Participants, the Security Trustee and the Trustee that neither the Lessee, the Guarantor nor Hunter, Keith, Marshall & Eaton, Inc., (the only Persons authorized or employed by the Lessee or the Guarantor as agent or otherwise in connection with the placement of the Notes or any similar Security it being understood that, without limiting the responsibility of the Lessee and Guarantor under this Section, such parties have relied on such Person's assurances to them regarding the acts of such Person) has offered any of the Notes or any similar Security for sale to, or solicited offers to buy any thereof from, or otherwise approached or negotiated with respect thereto with, any prospective purchaser other than the Note Purchaser and not more than 10 other institutional investors, each of whom was offered a portion of the Notes at private sale for investment.

(c) The Lessee and the Guarantor jointly and severally warrant and represent to the Participants, the Security Trustee and the Trustee that neither the Lessee, the Guarantor nor Charter Financial Services (the only Person authorized or employed by the Lessee as agent or otherwise in connection with the placement of the ownership interest in the Equipment or other similar Security it being understood that, without limiting the responsibility of the Lessee and Guarantor under this Section, such parties have relied on such Person's assurances to them regarding the acts of such Person) has offered any ownership interest in the Equipment or other similar Security for sale to, or solicited offers to buy any thereof from, or otherwise approached or negotiated

with respect thereto with any prospective purchaser, other than the Trustor and not more than 8 other institutional investors, each of whom was offered the purchase of a beneficial interest in the Equipment at private sale for investment.

(d) Both the Trustee and the Lessee agree severally but not jointly that neither the Trustee nor the Lessee nor anyone acting on the behalf of the Trustee or the Lessee will offer the Notes or any part thereof or any similar Security for issue or sale to, or solicit any offer to acquire any of the Notes or any part thereof from anyone so as to bring the issuance and sale of the Notes or any part thereof within the provisions of Section 5 of the Securities Act of 1933, as amended; provided that the Trustee may act in such manner as it is directed by the Trustor and the Trustor agrees not to direct the Trustee to take any action which would cause such a violation. The Lessee further agrees that neither it nor anyone acting on its behalf will offer any ownership interest in the Equipment or any part thereof or any similar Security to, or solicit any offer to acquire any ownership interest in the Equipment or any similar Security from anyone so as to bring the acquisition of the ownership interest within the provisions of Section 5 of the Securities Act of 1933, as amended.

3.6. Representations of the Participants; Transfer of Beneficial Interest. (a) Purchase for Investment. Each Participant represents to the other Participant, the Guarantor, the Trustee, the Lessee and the Security Trustee that such Participant is purchasing the Interest to be acquired by it for the account of such Participant for investment and with no present intention of distributing or reselling such Interest or any part thereof, but without prejudice, however, to the right of such Participant at all times to sell or otherwise dispose of all or any part of such Interest under a registration under the Securities Act of 1933, as amended, or under an exemption from such registration available under such Act. Each Participant acknowledges that none of the Interests has been registered under the Securities Act of 1933, as amended, and that neither the Trustee nor the Lessee contemplates filing, or is legally required to file, any such registration; and each Participant has been advised that each Interest must be held indefinitely unless such Interest is subsequently registered under said Securities Act or an exemption from such registration is available.

The attention of each Participant has been directed to Rule 144 under said Securities Act and Release No. 5223 issued in connection therewith. The Trustee makes no representation that Rule 144 may be relied upon at any time in the future in connection with any proposed sale of any Interest, and each Participant understands that as a practical matter the conditions contained in Rule 144 will make it generally unavailable for securities such as the Interests.

(b) Employee Retirement Income Security Act of 1974. Each Participant represents and warrants to the Lessee, the Guarantor, the Trustee, the Security Trustee and each other Participant that such participant is acquiring its Interest for its own account and with its general corporate assets and not with the assets of any employee benefit plan or any separate account in which any employee benefit plan has any Interest. As used in this Section 3.6, the terms "separate account" and "employee benefit plan" shall have the respective meanings assigned to them in ERISA.

(c) Authority of Trustor; No Violation of Charter, By-laws, Indentures, etc. The Trustor represents and warrants to the Note Purchaser, the Trustee, the Guarantor, the Security Trustee and the Lessee that:

(i) this Agreement and the Trust Agreement have each been duly authorized by, and each is a valid and binding obligation of, such Trustor enforceable in accordance with its terms;

(ii) it is duly organized, legally existing and in good standing under the laws of the State of New York;

(iii) it has full right, power and authority to enter into and perform this Agreement and each Operative Agreement to which it is a party;

(iv) the execution and delivery of this Agreement and each Operative Agreement to which it is a party do not, nor will the performance of its obligations thereunder and hereunder, violate the provisions of any charter instrument, by-law, indenture, mortgage, loan or credit agreement or other agreement pursuant to which indebtedness has been or will be incurred to which it is a party or by which it may be bound; and

(v) no consent, approval or authorization of, or filing, registration or qualification with, any governmental authority is necessary in connection with its execution or performance of this Agreement or any Operative Agreement to which it is a party or, to the extent such approval, consent or other action is necessary, the same has been obtained and is in full force and effect.

(d) Reaffirmation on each Closing Date. The purchase of Items of Equipment by the Trustor on each Closing Date shall constitute a reaffirmation by the Trustor of its representations set forth in this Section 3.6 as of such Closing Date, and the purchase of the Notes by the Note Purchaser on each Closing Date shall constitute reaffirmation by such Note Purchaser of its representations herein as of such Closing Date.

(e) Restrictions on Transfer of Beneficial Interest.

The Trustor agrees that it will not transfer or assign any of its Beneficial Interest under the Trust Agreement except in compliance with Section 8.3 of the Trust Agreement. Prior to transferring its Beneficial Interest, such Trustor shall give written notice to the Security Trustee, the Trustee, the Note Purchaser and the Lessee specifying the name and address of the transferee and such additional information as may be required to demonstrate compliance with the provisions of Section 8.3 of the Trust Agreement. Upon any such transfer or assignment of the Beneficial Interest as above provided, the transferee or assignee shall be deemed "Trustor" for all purposes of the Operative Agreements and shall be deemed to have made all payments previously made by the transferring or assigning Trustor and each reference in the Operative Agreements to such Trustor shall thereafter be deemed to mean such transferee or assignee; provided that in the case of a transfer to an affiliated company the transferring or assigning Trustor shall remain liable as a guarantor of all of the obligations assumed hereunder by such affiliated company. Any transfer or assignment of a Beneficial Interest in violation of this Section shall be void and of no effect.

SECTION 4. CLOSING CONDITIONS.

4.1. First Delivery Date Conditions. The authority of the Trustee to accept any Item of Equipment and the obligations of each Participant to make the investment specified with respect to each Participant in Section 2 hereof shall be subject to the satisfaction on or prior to the First Delivery Date (determined in the manner provided in the next following paragraph) of the following conditions precedent:

(a) First Delivery Date. The Lessee shall confer with the Manufacturer regarding anticipated dates of delivery for the Items of Equipment and the Lessee will give the Security Trustee, the Trustee, the Guarantor, and each Participant prior written or telegraphic notice of the date on which the first Item of Equipment is scheduled to be delivered and accepted by the Lessee pursuant to Section 1.2 of the Lease (said date being hereinafter called the "First Delivery Date").

(b) Execution of Operative Agreements. The Operative Agreements shall have been duly executed and delivered by the parties thereto and shall be in full force and effect.

(c) Recordation and Filing. The Lessee will, at its sole expense, cause the Lease and the Security Agreement to be duly filed, recorded and deposited with the Interstate Commerce Commission in conformity with the requirements of 49 USC 11303 (formerly Section 20c of the Interstate Commerce

Act) and in such other places as the Security Trustee or any Participant may reasonably request for the protection of the title of the Trustee to or the security interest of the Security Trustee in the Equipment and will furnish the Trustee and each Participant proof thereof.

(d) Certificate of Lessee. The Security Trustee, each Participant and the Trustee shall have received executed copies of a Certificate dated such date signed by the President, a Vice President, the Treasurer or an Assistant Treasurer of the Lessee in substantially the form attached hereto as Exhibit G, the truth and accuracy of which on said Date shall be a condition to the obligation of each Participant to make the investment contemplated by Section 2 hereof on each Closing Date.

(e) Certificate of Guarantor. The Security Trustee, the Trustee and each Participant shall have received executed copies of a Certificate, dated such date, signed by the Chairman of the Board, President, a Vice President, the Treasurer or an Assistant Treasurer of the Guarantor, in substantially the form attached hereto as Exhibit H, the truth and accuracy of which on said Date shall be a condition to the obligation of such Participant to make the investment contemplated by Section 2 hereof on each Closing Date.

(f) Certificate of Trustee. Each Participant and the Lessee shall have received a certificate dated such date signed by the Trustee to the effect that the representations and warranties of the Trustee contained in Section 3.1 hereof are true in all material respects on the First Delivery Date with the same effect as though made on and as of said date and that the Trustee has performed and complied with all agreements and conditions herein contained which are required to be performed or complied with by the Trustee on or before said date.

(g) Opinions of Counsel. Each Participant and the Trustee shall have received the favorable written opinions of counsel for the Lessee, the Guarantor, the Trustee, the Trustor, and the Manufacturer described in Exhibits I, J, K, L, and M hereto, respectively, and the Security Trustee and the Note Purchaser shall have received the favorable written opinion of Messrs. Chapman and Cutler, who are acting as special counsel for the Note Purchaser in connection with the transaction contemplated by this Agreement, described in Exhibit N hereto.

(h) Evidence of Insurance. The Security Trustee and each Participant shall receive evidence reasonably satisfactory to such parties of compliance by the Lessee with its insurance obligations set forth in Section 11.1 of the Lease and advice regarding any other insurance which the Lessee shall then maintain with respect to the Equipment.

(i) Acknowledgment of Assignment of Lease. The Lessee shall deliver to each Participant a certificate of acknowledgement of the Trustee's assignment of the Lease.

(j) Acknowledgment of Assignment of Guaranty Agreement. The Guarantor shall deliver to each Participant a certificate of acknowledgement of the Trustee's assignment of the Guaranty Agreement.

(k) Proceedings Satisfactory as of First Delivery Date. All proceedings taken in connection with the transactions contemplated hereby and all documents and papers relating thereto shall be satisfactory as of the First Delivery Date to each Participant and its special counsel, if any, and each Participant and such special counsel shall have received copies of such documents and papers as each Participant or such special counsel may reasonably request in connection therewith or as a basis for such special counsel's closing opinion, all in form and substance satisfactory to each Participant and such special counsel.

4.2. Closing Date Conditions. The obligations of each Participant to make the investments specified with respect to such Participant in Section 2 hereof in respect of those Items of Equipment to be settled for on each Closing Date shall be subject to the satisfaction on or prior to such Closing Date of the following conditions precedent:

(a) Certificates of Acceptance. The Lessee shall deliver to the Security Trustee, each Participant and the Trustee a Certificate of Acceptance covering each Item of Equipment to be settled for on such date executed by a duly authorized representative of the Lessee pursuant to Section 1.3 of the Lease.

(b) Certified Invoice. There shall have been delivered to the Security Trustee, each Participant and the Trustee an invoice or invoices of the Manufacturer setting forth the Purchase Price of the Items of Equipment to be settled for on such date and accompanied by or having endorsed thereon a certification by the Lessee as to the correctness of said Purchase Price.

(c) Bill of Sale. There shall have been delivered to the Security Trustee, each Participant and the Trustee a bill of sale for the Items of Equipment to be settled for on such date signed by the Manufacturer transferring to the Trustee title to such Items and warranting to the Trustee, the Lessee and the Security Trustee that at the time of delivery of each such Item to the Lessee, the Manufacturer had legal title thereto and good and lawful right to sell

the same, and title thereto is free of claims, liens and encumbrances of any nature except only the rights of the Lessee under the Lease.

(d) Title Opinion of Manufacturer. There shall have been delivered to the Trustee, the Participants and the Security Trustee an Opinion of Counsel for the Manufacturer substantially to the effect set forth in Exhibit O hereto.

4.3. Additional Conditions Precedent to Obligation of Trustor on the First Delivery Date. The obligation of the Trustor to provide the funds specified with respect to it in Section 2.1 hereof shall be subject to the following additional conditions:

(a) Opinions. On or prior to the First Delivery Date to the receipt of (i) an opinion of R.D. Anderson, Vice President, The American Appraisal Company addressed to the Trustor, satisfactory in form and substance to the Trustor, that the Items will have a useful life of at least 26 years, that the Items will have a fair market value as of 20 years following the Term Lease Commencement Date of at least 20 per cent of the Purchase Price thereof without including in such value any increase or decrease for inflation or deflation during the term of the Lease and after subtracting from such value any cost to the Trustor or Trustee for removal and delivery of possession of the Equipment to the Trustee at the end of the lease term, and that at the expiration of the term of the Lease the Items will have a commercially feasible use to the Trustor or Trustee and other potential users within the meaning of Rev. Proc. 76-30, and (ii) an opinion of Messrs. Sullivan & Cromwell, with respect to such tax matters as the Trustor shall deem appropriate, and

(b) Legality. As of the First Delivery Date, the making of its Investment by the Trustor shall not be prohibited by any applicable law or governmental regulation from acquiring its beneficial interest hereunder or otherwise participating in the transaction.

4.4. Additional Conditions Precedent to Obligations of the Note Purchaser on each Closing Date. The obligation of the Note Purchaser to purchase and pay for the Notes pursuant to Section 2.2 hereof on each Closing Date shall be subject to the following additional conditions:

(a) Trustor Advances. On each Closing Date the Trustor shall have advanced an amount equal to 41.0531% of the Purchase Price of the Items of Equipment to be settled for on such date.

(b) Notes. The Notes to be delivered on such Closing Date shall have been duly authorized, executed and delivered to the Note Purchaser by a duly authorized officer of the Trustee.

D (c) Opinion of Counsel. On such Closing Date, the Security Trustee and the Note Purchaser shall have received the favorable written opinion of Messrs. Chapman and Cutler substantially to the effect set forth in Exhibit P hereto.

SECTION 5. FINANCIAL REPORTS AND RIGHTS OF INSPECTION.

The Lessee agrees that it will furnish directly to the Security Trustee, the Trustee and each Participant, and to any other institutional holder of 10% or more of the Notes or the Beneficial Interests which shall make written request therefor, the following:

(a) As soon as available and in any event within 90 days after the end of each of the first three quarterly periods of each fiscal year, a balance sheet of the Lessee as at the end of such period and a statement of income and retained earnings of the Lessee for the period beginning on the first day of such fiscal year and ending on the date of such balance sheet, the income statement setting forth increases and decreases from the corresponding figures for the corresponding period of the preceding fiscal year, all in reasonable detail and certified by the principal financial or accounting officer of the Lessee;

(b) As soon as available and in any event within 120 days after the last day of each fiscal year, a copy of the Lessee's annual report to stockholders, including balance sheet, income statement and statement of retained earnings of the Lessee, in the case of the balance sheet as at the end of such fiscal year setting forth in comparative form the corresponding figures as at the end of the preceding fiscal year and in the case of the income statement and statement of retained earnings, covering such fiscal year and setting forth in comparative form the corresponding figures for the previous fiscal year, with all such statements being accompanied by a report and opinion of independent public accountants of recognized standing selected by the Lessee, which report and opinion shall be prepared in accordance with generally accepted auditing standards relating to reporting and shall include a statement that, in making the audit necessary for such report, such accountants have obtained no knowledge of any default by the Lessee under the Lease or as to any other evidence of indebtedness of the Lessee or, if in the opinion of such accountants any such default shall exist, shall include a statement as to the nature and status thereof;

(c) Within the period provided in subparagraph (b) above, a certificate, signed by the principal financial officer or a Vice President of the Lessee, to the effect that the signer thereof is familiar with the terms and provisions of the Lease and that at the date of said certificate is not after diligent inquiry aware of any default or Event of Default or an event which with the lapse of time or giving of notice, or both, would constitute an Event of Default, under or in compliance by the Lessee with any of the covenants, terms and provisions of the Lease or as to any evidence of indebtedness for borrowed money of the Lessee, or if the signer is aware of any such default or event or Event of Default he shall disclose in such certificate the nature thereof and the nature of the action the Lessee is taking or proposes to take with respect thereto;

(d) Such additional information as the Security Trustee, the Trustee, any Participant or any other institutional holder of 10% or more of the Notes or the Beneficial Interests may reasonably request concerning the Lessee, in order to enable such party to determine whether the covenants, terms and provisions of the Lease have been complied with by the Lessee.

The Lessee agrees to permit the Security Trustee, the Trustee, any Participant and any institutional holder of 10% or more of the Notes or the Beneficial Interests (or such persons as such Participant or any such holder may designate) to visit at such parties expense, the offices of the Lessee and to discuss the affairs, finances and accounts of the Lessee with the officers thereof at such reasonable times and as often as may be reasonably requested.

SECTION 6. COVENANTS OF GUARANTOR.

6.1. Maintenance of Ownership of Lessee. Unless otherwise consented to in writing by the holders of 66-2/3% of the principal amount of outstanding Notes and the Trustee, the Guarantor will be and remain the owner of at least 51% of the shares of each and every issued and outstanding class of capital stock of the Lessee and the Guarantor will keep itself informed with respect to, and apprised of, the operations and financial condition of the Lessee.

6.2. Mergers and Consolidations. Without the prior written consent of 66-2/3% of the principal amount of outstanding Notes and the Trustee, the Guarantor will not sell, lease, transfer or otherwise dispose of all or substantially all of its property and assets, or be a party to any merger or consolidation; provided, that the foregoing restriction does not apply to the merger or

consolidation of the Guarantor with another corporation, or to such a sale, lease, transfer or disposition of property and assets, if all of the following conditions are met:

(1) The Guarantor is the continuing corporation or the corporation (if other than the Guarantor) which results from such merger or consolidation or which shall have received the transfer (by sale, lease or otherwise) of all or substantially all of the property and assets of the Guarantor (the "Successor Corporation") has been organized under the laws of the United States or a jurisdiction thereof and shall have expressly assumed in writing the due and punctual performance and observance of all of the covenants and obligations of the Guarantor under the Guaranty Agreement and this Agreement;

(2) Immediately after the consummation of the transaction and after giving effect thereto, no default or event which with the passing of time or the giving of notice, or both, would constitute a default of the Guarantor would exist under any instruments or agreements to which the Guarantor is a party; and

(3) Immediately after the consummation of the transaction, and after giving effect thereto, the Guarantor or the Surviving Corporation has a net worth not less than the net worth of the Guarantor immediately prior to the merger except to the extent such reduction is due, in a pooling of assets, to a net loss carry forward in the acquired, merged or transferee Company.

6.3. Reports and Rights of Inspection. The Guarantor will keep, and will cause each of its subsidiaries (other than foreign subsidiaries) to keep, proper books of record and account in which full and correct entries will be made (as to the Guarantor) of all dealings or transactions of or in relation to the business and affairs of the Guarantor or any such subsidiaries, in accordance with generally accepted principles of accounting consistently maintained (except for changes disclosed in the financial statements previously furnished to the Participants and concurred in by the Guarantor's independent chartered accountants) and in the case of each foreign subsidiary, will maintain books of record and account either in such manner or in the manner required by applicable laws and regulations and consistent with normal accounting practice in the jurisdiction where its principal office is maintained, and will furnish to each Participant and its successors and assigns, in duplicate:

(a) Quarterly Statements -- as soon as practicable after the end of each quarterly fiscal period in each fiscal year of the Guarantor, and in any event within 120 days thereafter, duplicate copies of:

(1) a consolidated balance sheet of the Guarantor and its consolidated subsidiaries as at the end of such quarter, and

--
(2) consolidated statements of income and of surplus of the Guarantor and its consolidated subsidiaries for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter,

in each case prepared substantially in form and scope as the Consolidated Quarterly Report Ended June 30, 1980 and certified as complete and correct, subject to changes resulting from year-end adjustments, by a principal financial officer of the Guarantor;

(b) Annual Statements -- as soon as practicable after the end of each fiscal year of the Guarantor, and in any event within 150 days thereafter, duplicate copies of:

(1) a consolidated balance sheet of the Guarantor and its consolidated subsidiaries at the end of such year, and

(2) consolidated statements of income and of surplus of the Guarantor and its consolidated subsidiaries for such year,

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and accompanied by an opinion thereon of independent chartered accountants of recognized national standing selected by the Guarantor, which opinion shall state that such financial statements fairly present the financial condition of the companies being reported upon, have been prepared in accordance with generally accepted accounting principles consistently applied (except for changes in application in which such accountants concur) and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and accordingly, included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances;

(c) Notice of Default or Event of Default -- immediately upon becoming aware of the existence of any condition or event which constitutes a default or an Event of Default or an event which with the lapse of time or the giving of notice, or both, would constitute an Event of Default, under any Operative Agreement, a

written notice specifying the nature and period of existence thereof and what action the Guarantor is taking or proposes to take with respect thereto;

(d) Notice of Claimed Default -- immediately upon becoming aware that the holder of any Note or of any evidence of indebtedness or other security of the Guarantor or any subsidiary thereof has given notice or taken any other action with respect to a claimed default or Event of Default, a written notice specifying the notice given or action taken by such holder and the nature of the claimed default or Event of Default and what action the Guarantor is taking or proposes to take with respect thereto; and

(e) Requested Information -- with reasonable promptness, such other data and information as from time to time may be reasonably requested.

Each set of financial statements delivered pursuant to the preceding paragraph will be accompanied by a certificate of the Chairman of the Board, the President or a Vice President, the Treasurer or an Assistant Treasurer of the Guarantor stating that the signer has reviewed or caused to be reviewed the relevant terms of this Agreement and the Guaranty Agreement and has made, or caused to be made, under their supervision, a review of the transactions and conditions of the Guarantor and its subsidiaries from the beginning of the accounting period covered by the income statements being delivered therewith to the date of the certificate and that such review has not disclosed the existence during such period of any condition or event which constitutes a default or an event which with the lapse of time or the giving of notice, or both, would constitute an Event of Default or an Event of Default under any Operative Agreement or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Guarantor has taken or proposes to take with respect thereto.

Each set of annual financial statements delivered pursuant to clause (b) of the preceding paragraph will be accompanied by a certificate of the accountants who certify such financial statements, stating that they have reviewed this Agreement and the Guaranty Agreement and stating further, whether in making their audit, such accountants have become aware of any condition or event which then constitutes a default or an Event of Default under any Operative Agreement, and if any such condition or event then exists, specifying the nature and period of existence thereof; it being understood that such accountants shall have no liability for failure to become aware of any such condition or event.

Without limiting the foregoing, the Guarantor will permit the Security Trustee and any Participant and any institutional holder of 10% or more of the Notes (or such persons as any such party may designate) to visit at such parties expense the offices of the Guarantor and to discuss the affairs, finances and accounts of the Guarantor with its officers and chartered accountants, all at such reasonable times and as often as may be reasonably requested.

SECTION 7. HOME OFFICE PAYMENT OF NOTES.

Notwithstanding any provision to the contrary in this Agreement, the Security Agreement or the Notes, the Trustee will cause all amounts payable to any Note Purchaser with respect to any Notes held thereby or a nominee thereof to be paid to such Note Purchaser (without any presentment thereof and without any notation of such payment being made thereon) as provided in Schedule 1 hereto. The Note Purchaser agrees that if it shall sell or transfer any Note or any portion thereof it will, in the case of a Registered Note, present such Note for transfer and notation as provided in Sections 8.4 and 8.5 of the Security Agreement, and in the case of an Order Note, make a notation of all payments of principal and interest theretofore made to it in respect of such Note and the date to which interest has been paid thereon. The Note Purchaser further agrees that it will promptly notify the Trustee and the Security Trustee of the name and address of the transferee of any Order Note so transferred. Unless and until the Trustee and the Security Trustee shall have received notice of the transfer of any Order Note and of the name and address of the transferee, or any Order Note shall have been presented as evidence of its transfer, the Trustee and the Security Trustee shall be entitled to conclusively presume that the holder of each Order Note remains the payee named therein or any subsequent holder of which the Trustee and the Security Trustee have been notified as provided herein.

SECTION 8. INDEMNIFICATION BY THE TRUSTOR WITH RESPECT TO CERTAIN TAXES.

The Trustor agrees to pay or discharge any and all taxes, claims, liens, charges or security interests claimed by any party from, through or under such Trustor not arising out of the transactions contemplated hereby, which, if unpaid, might become a lien, charge or security interest on or with respect to the Equipment, or any unit thereof, or the Trustee's interest in the Lease and the payments to be made thereunder and will indemnify and hold harmless the Note Purchaser and the Security Trustee from any claim or expense resulting from any failure to make such payment; but such Trustor shall not be required to pay or discharge any such claim so long as the validity thereof shall

be contested in good faith and by appropriate legal or administrative proceedings in any reasonable manner and the nonpayment thereof does not, in the reasonable opinion of such Trustor, adversely affect the security interest of the Security Trustee in or to the Equipment or otherwise under this Agreement or in and to the Lease and the payments to be made thereunder.

SECTION 9. LIMITATIONS OF LIABILITY.

It is expressly understood and agreed by and between the Trustee, the Trustor, the Lessee, the Guarantor, the Security Trustee and the Note Purchaser and any holder of any Note and their respective successors and assigns that this Agreement is executed by First Security Bank of Utah, N.A., not individually or personally but solely as Trustee under the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Trustee, that each and all of the representations, undertakings and agreements herein made on the part of the Trustee are each and every one of them made and intended not as personal representations, undertakings and agreements by First Security Bank of Utah, N.A., or for the purpose or with the intention of binding First Security Bank of Utah, N.A., personally, but are made and intended for the purpose of binding only the Trust Estate, that this Agreement is executed and delivered by First Security Bank of Utah, N.A. solely in the exercise of the powers expressly conferred upon First Security Bank of Utah, N.A. as trustee under the Trust Agreement, that actions to be taken by the Trustee pursuant to its obligations hereunder may, in certain instances, be taken by the Trustee only upon specific authority of the Trustor, that nothing herein contained shall be construed as creating any liability on First Security Bank of Utah, N.A., individually or personally, or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, First Security Bank of Utah, N.A., to perform any covenant either express or implied contained herein, all such liability, if any, being expressly waived by the Security Trustee, the Trustor and the Note Purchaser and the holder of any Note and by any person claiming by, through or under the Note Purchaser or any holder of any Note, and that so far as First Security Bank of Utah, N.A. or the Trustor, individually or personally is concerned, the Security Trustee, the Trustor and the Note Purchaser and the holder of any Note and any person claiming by, through or under the Security Trustee, the Note Purchaser or any holder of any Note shall look solely to the Trust Estate for the performance of any obligation under any of the instruments referred to herein; provided that nothing in this Section 9 shall be construed to limit in scope or substance those representations and warranties made expressly by First Security Bank of Utah, N.A., in its individual capacity, as specifically set forth herein or in the Security Agreement or relieve the Trustee in its individual capacity from liability to the parties hereto resulting from the wilful misconduct or gross negligence of the Trustee. Any obligator

of the Trustee hereunder may be but shall not be required to be performed by the Trustor, and any such performance shall not be construed as revocation of the trust created by the Trust Agreement. Nothing contained in this Agreement shall restrict the operation of the provisions of the Trust Agreement with respect to its revocation or the resignation or removal of the Trustee thereunder.

SECTION 10. MISCELLANEOUS.

10.1. Amendments and Waivers. Any term, covenant, agreement or condition of this Agreement may be amended or compliance therewith may be waived (either generally or in a particular instance and either retroactively or prospectively) by an instrument or instruments in writing executed by the Security Trustee, the Trustee, each of the Participants, the Guarantor and the Lessee; provided that any such party may as to its rights waive (in writing or otherwise) the requirements of any provision hereof which are for its benefit.

10.2. Notices. Any notice provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or otherwise actually received or five business days after being deposited in the United States mail, certified, postage prepaid, addressed as follows:

If to the Trustee: First Security Bank of Utah, N.A.
79 South Main Street
Salt Lake City, Utah 84111
Attention: Corporate Trust
Department

If to the Lessee: Gulf Coast Grain, Inc.
5100 Poplar Avenue, Suite 1910
Memphis, Tennessee 38117
Attention: Mr. Cliff Snyder

(with copies to)

Messrs. Waring, Cox, Sklar, Allen,
Chafetz & Watson
165 Madison Avenue
Memphis, Tennessee 38103
Attention: Samuel Chafetz, Esq.

If to the Guarantor: Mitsui & Co. (U.S.A.), Inc.
5100 Poplar Avenue, Suite 2906
Memphis, Tennessee 38117
Attention: Mr. Shigeru Endo

If to the Trustor: General Electric Credit Corporation
260 Long Ridge Road
Stamford, Connecticut 06904
Attention: Manager - Operations,
Leasing and Industrial
Loans

If to the Security
Trustee: The Connecticut Bank and Trust Company
One Constitution Plaza
Hartford, Connecticut 06115
Attention: Corporate Trust Department

If to the Note
Purchaser: At its address set forth in
Schedule 2 hereto

or at such other place as any such party may designate by notice
given in accordance with this Section.

10.3. Survival. All warranties, representations and
covenants made by the Trustee, the Lessee or any Participant herein
or in any certificate or other instrument delivered by any such
party or on the behalf of any such party under this Agreement
shall be considered to have been relied upon by each other party
hereto and shall survive the consummation of the transactions
contemplated hereby on the First Delivery Date and each Closing
Date regardless of any investigation made by any such party or on
the behalf of any such party. All statements in any such certificate
or other instrument shall constitute warranties and representations
by the party so making the same.

10.4. Successors and Assigns. This Agreement shall be
binding upon and shall inure to the benefit of, and shall be enforceable
by, the parties hereto and their respective successors and assigns
including each successive holder of any Beneficial Interest under
the Trust Agreement and each successive holder of any Note issued
and delivered pursuant to this Agreement or the Security Agreement
whether or not an express assignment to any such holder of rights
under this Agreement has been made.

10.5. Governing Law. This Agreement shall be governed by
and construed in accordance with the laws of the State of New York
without regard to principles of conflict of law.

10.6. Counterparts. This Agreement may be executed
in any number of counterparts, each executed counterpart
constituting an original but all together only one Agreement.

10.7. Headings and Table of Contents. The headings of
the sections of this Agreement and the Table of Contents are inserted
for purposes of convenience only and shall not be construed to
affect the meaning or construction of any of the provisions hereof.

10.8. Reproduction of Documents. The Operative Agreements, the Letter Agreement and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications which may hereafter be executed, (b) documents received at any Closing Date, and (c) financial statements, certificates and other information previously or hereafter furnished to any party hereto, may be reproduced by such party by any photographic, photostatic, microfilm, micro-card, miniature photographic or other similar process and such party may destroy any original document so reproduced. The parties hereto agree and stipulate that any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made in the regular course of business) and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be executed and delivered, all as of the date first above written.

LESSEE:

GULF COAST GRAIN, INC.

By /s/ W. G. Gore
Its Ex. Vice President

[SEAL]

ATTEST:

/s/ Shigeru Endo

TRUSTOR:

GENERAL ELECTRIC CREDIT CORPORATION

By /s/ M. J. Kelly
Its Manager - Rail Financing

[SEAL]

ATTEST:

/s/ Raymond W. Leyden, Jr.
Attesting Secretary

GUARANTOR:

MITSUI & CO. (U.S.A.), INC.

By /s/ Eishi Uyeno
Its Vice President

[SEAL]

ATTEST:

/s/ Shigeru Endo

SECURITY TRUSTEE:

THE CONNECTICUT BANK AND TRUST COMPANY

By /S/ Clark M. Whitcomb
Its Assistant Vice President

TRUSTEE:

FIRST SECURITY BANK OF UTAH, N.A.,
not individually and as Trustee
under Gulf Coast Trust No.
80-1

By /S/ John R. Sager
Its Assistant Trust Officer

[SEAL]

/S/ R. D. Schutier
Authorized Officer

NOTE PURCHASER:

CONNECTICUT GENERAL LIFE INSURANCE
COMPANY

By /S/ James G. Schelling
Its Investment Officer

Name and Address
of Note Purchaser

Maximum Commitment

CONNECTICUT GENERAL LIFE INSURANCE
COMPANY

\$3,900,000.00

Hartford, Connecticut 06152

Attention: Private Placement Department

All notices to be addressed as above
except that notices with respect to
payments to be addressed to the
attention of Securities Accounting,
and all payments to be made by bank
wire transfer of Federal or other
immediately available funds (identi-
fying each payment as to issuer;
security and principal or interest)
to:

Hartford National Bank and Trust
Company
Hartford, Connecticut 06115
Account No. 029-7898